



Water Quality Program Financial Assistance

Public Meeting

FY 2007 Draft Offer and Applicant List
for

Centennial Clean Water Program

Clean Water Act Section 319 Nonpoint Source Program

Washington State Water Pollution Control Revolving Fund (SRF)

&

FY 2007 SRF Draft Intended Use Plan

May 10, 2006 - Tacoma

Public Meeting Purpose

- Explain the List development process
- Summarize funding levels set by the Legislature
- Growth Management Act (GMA) Compliance
- Take public comment on the List and the process

Water Quality Program Financial Assistance

Funding Process

- Integrated funding approach for the financing of water pollution control facilities and nonpoint source activities
- Diverse state and federal grant and loan funding programs
- Combined priority rating and ranking system

FY 2007 Funding Programs

Centennial Clean Water Fund

Integrated Application &
Funding Process

**Washington State Water Pollution
Control Revolving Fund**

**Clean Water Act Section 319
Nonpoint Source Fund**

Funding Program Goals and Objectives

- Environmental Investment/Outcome
- Available Funds Distributed to Highest Priority Projects
- Assist Financially Distressed Communities
- Rank-ordered List to the Legislature before Budget is Considered
- Partnering with Other State and Federal Funding Agencies

FY 2007 Project Evaluation Criteria for SRF, Centennial, and 319 Funds

- **Summary of the water quality problem and solution**
- **Public health and water quality impairments caused by the problem**
- **How the project will address the water quality problem and the measures of success**

FY 2007 Project Evaluation Criteria for SRF, Centennial, and 319 Funds (*cont.*)

- Local initiatives taken that help make the project a success
- State of Washington or federal mandates that the proposed project addresses
- Local priority setting process

Draft Offer List Development Process

- **Application Submittal** Sept. 1, 2005 - Oct. 31, 2005
- **Screening, Rating & Ranking** November - December, 2005
- **Issue Preliminary Priority List** January, 2006
(To Legislature prior to budget development)
- **Issue Draft Offer List** April 24, 2006
(Starts 30-day Public Comment Period)

Draft Offer List Development Process (*cont.*)

- Public Meeting to Present Lists May 10, 2006
- Public Review & Comment Period Ends May 24, 2006
- Issue Final Offer List, Final Intended Use Plan, & Funding Letters July 1, 2006
- Agreement Development July 1, 2006 – June 30, 2007
- FY 2008 Application Period Sept. 1, 2006 - Oct. 31, 2006

2007 Supplemental Budget Overview

State Legislature passed a budget that includes provisos for the following local governments:

➤ Centennial Clean Water Program

- City of Spokane/Spokane County \$5,000,000
- Governor's Puget Sound Initiative \$1,500,000
(Grants for On-Site Septic System Repair & Replacement)
- City of Carnation \$1,500,000
- Klickitat County PUD No. 1 \$600,000

2007 Supplemental Budget Overview (*cont.*)

➤ State Revolving Fund Program

- Governor's Puget Sound Initiative \$5,000,000
(Loans for On-Site Septic System Repair & Replacement)
- Jefferson, Mason, & Kitsap Counties \$1,000,000
(Loans for On-Site Septic System Repair & Replacement)

2005-07 Biennial and Supplemental Budget - Funding Summary -

Fund Source	Funding Cycle FY 2006	Funding Cycle FY 2007
Centennial Fund (Grants & Loans)	\$20.1 million^a	\$21.4 million^a
Section 319 Fund (Grants Only)	\$1.9 million^b	\$1.9 million^b
State Revolving Fund (Loans Only)	\$68 million^c	\$76.8 million^c

a. Based on the FY 2005-07 Biennial and 2006 Supplemental Budget

b. Based on FFY 2005 & 2006 Congressional Budget

c. Based on FFY 2005 Congressional Budget and Legislative appropriation

2005/2007 Fund Allocation

	<u>FY2006</u>	<u>FY2007</u>
Centennial*		
Spokane Extended Payment Grant	\$5.0 M	\$5.0 M
Small Community Hardship Grants	\$2.5 M	\$2.5 M
Legislative Provisos	\$2.26 M	\$3.6 M
Competitive Centennial Grants (\$10.4 M/year)		
- 2/3 to Hardship Facilities	\$ 6.9 M	\$6.5 M
- 1/3 to Nonpoint Activities	\$ 3.46 M	\$3.86 M
SRF		
80% to Facility Loans **	\$54.4 M	\$61.4 M
20% to Nonpoint Activity Loans **	\$13.6 M	\$15.4 M
319		
100% to Nonpoint Activity Grants	\$1.9 M	\$1.9 M

*Based on the FY 2005-07 Biennial and 2006 Supplemental Budget

** Fund Allocation Levels as provided in Rule

Draft List Fund Allocation Adjustments (*cont.*)

Centennial

➤ Competitive Centennial Grants (\$10.4 M/year)

- 2/3 to Hardship Facilities \$6.9 M
- Demand for Hardship Facilities \$6.5 M
- 1/3 to Nonpoint Activities \$3.46 M
- Funds Transferred to Activities \$400 K
- Total Activities Funds Available \$3.86 M

Funding Overview

The following changes or corrections were made from the Preliminary List to this Draft Offer List:

- SRF loan funds available increased approximately \$20 M, from \$55.9 M to \$76.8 M, due to deobligations and a larger capitalization grant, resulting in additional funds available for SRF loan projects on the FY 2007 List.
- A correction to Ecology's original hardship determination was made for the city of Kittitas resulting in a \$382,500 Centennial proposed grant and a \$382,500 SRF proposed loan.

Funding Overview (*cont.*)

- Funding shifts caused a reduction in grant funding for nonpoint activity projects affecting two projects, the Lummi Indian Business Council (FP07040) and the Snohomish Conservation District (FP07065).
- A correction to the point calculation for the Stevens Conservation District project (FP07070) was made, which resulted in a minor shift in this project's position on the priority list from position 47 to 45.

FY07 Draft Offer List Statistics

- **80 Applications for Funding Received (plus 8 provisos and good faith commitments)**
- **48 Projects Proposed for Funding (\$100 M)**
 - 18 nonpoint activity Centennial projects
 - 9 nonpoint activity Section 319 projects
 - 7 financial hardship facility construction projects with Centennial and SRF combined funding
 - 9 facility planning, design and construction SRF loan projects
 - 5 nonpoint activity SRF loan projects

Growth Management Act (GMA) Compliance

Local governments facilities projects must be in compliance with GMA in order to receive a loan or grant/loan combination.

Exceptions:

- Public health need declared by the State Department of Health
- Severe environmental degradation declared by Ecology

THANK YOU



QUESTIONS

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Additional Water Quality Funding
information is available on the Internet at:

www.ecy.wa.gov/programs/wq/funding